



Intercontinental Trust Ltd

## The Variable Capital Company: a soon-to-be reality for Mauritius and other news

### Drafting of the Variable Capital Companies Bill

On 16 April 2021, Cabinet agreed to proceed with the drafting of the Variable Capital Companies Bill. It will be recalled that the introduction of the Variable Capital Company (VCC) was one of the action points that emanated from the National Budget 2020/2021 in line with the 10-year Blueprint that has been established for the Mauritius International Financial Centre (IFC).

The VCC could be a game changer for the Mauritius IFC as it cements its value proposition for cross-border investors. It is a legal structure that can be used in both the traditional and alternative investment fund market space. We expect that the advent of the VCC will garner the interest of private wealth managers and institutional investors thanks to its capital variability and cost efficiency.

It will also be ensured that the legislative framework regulating the VCC will comply with the Anti-Money Laundering/Combating the Financing of Terrorism requirements.

Watch this space for our newsletter covering the technicalities and features of the Mauritius VCC, which will be released once the Variable Capital Companies Act is enacted.

### Proposed amendments to the Securities Act 2005

On 16 April 2021, Cabinet also consented to bring in the following amendments to the Securities Act 2005 (the “Act”):

The proposed amendments to the Act aim at:

- a. bringing in the concept of “retail investor” compared to “sophisticated investor” in the legislation;
- b. enabling the licensing of other exchanges and depository institutions over and above the Stock Exchange of Mauritius and the Central Depository and Settlement Ltd;
- c. recognising foreign funds whose securities are marketed to retail investors in or from Mauritius; and
- d. waiving the requirement for foreign reporting issuers to be registered with the Financial Services Commission.

To that effect, the Securities (Amendment) Bill will be drafted soon. Stay tuned for more information regarding the proposed amendments.

For any additional information please contact us.

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